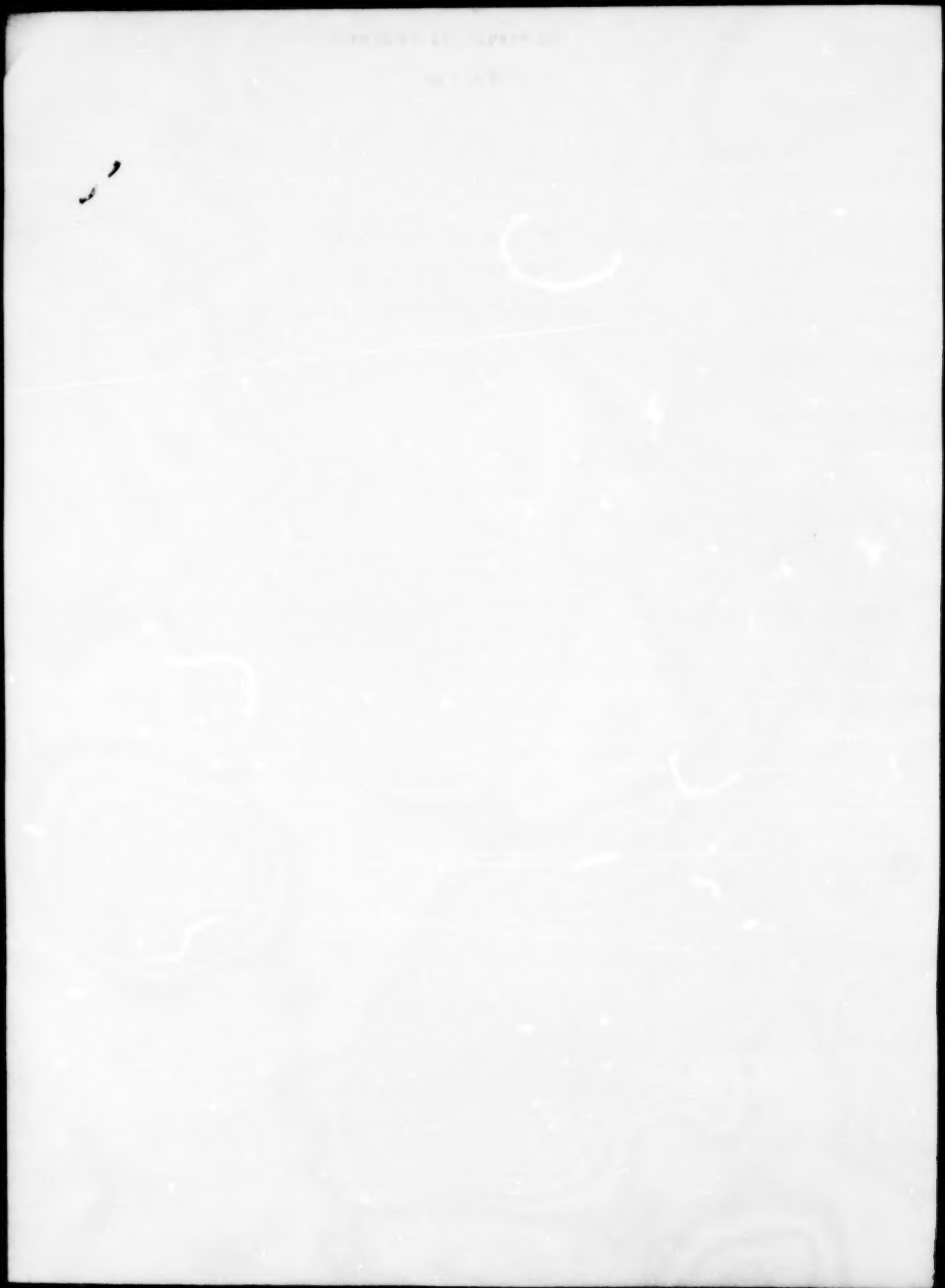


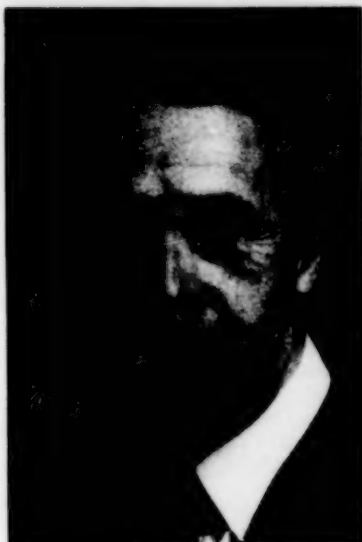


Government of
Saskatchewan

Annual Report 1982-83

Saskatchewan Public Employees Superannuation Plan





Regina, Saskatchewan
June 30, 1983

His Honour F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

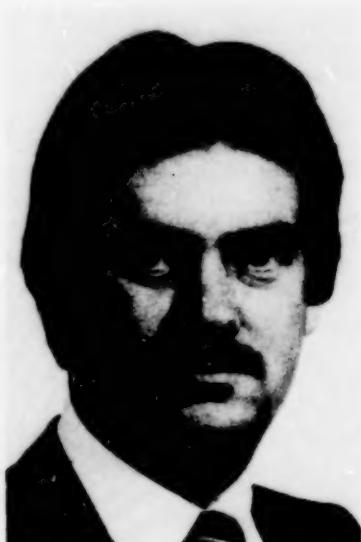
Sir:

I have the honour to transmit herewith the sixth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1983.

I have the honour to be, Sir.

Your Obedient Servant

Paul Rousseau
Minister in Charge
Public Employees Superannuation Plan



Regina, Saskatchewan
June 30, 1983

The Honourable Paul Rousseau
Minister in Charge
Public Employees Superannuation Plan
Regina, Saskatchewan

Sir:

On behalf of the Public Employees Superannuation Board, I have the honour to present herewith the sixth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1983.

Respectfully submitted,

Public Employees Superannuation Plan

Allan L. Palmer
Chairman/Executive Officer

Contents

	Page
Introduction	3
Operation of the Plan	3
Reciprocal Agreements	4
Administration	4
Highlights of the 1982-83 Fiscal Year	5
Member Groups	6
Investments	7
Schedule of Investment Transactions	8
Financial Statements	
Auditors Report	12
Statement of Financial Position	13
Statement of Changes in Members'	
Accumulated Balances	13
Statement of Changes in Accumulated	
Provision for Future Annuities	
Payable	14
Statement of Changes in Unallocated	
Fund Balance	14
Notes to the Financial Statements	15

Introduction

The Public Employees (Government Contributory) Superannuation Plan was established by Section 38 of the Superannuation (Supplementary Provisions) Act.

The Plan was established October 1, 1977 for new public sector employees of the Government of Saskatchewan and introduced the concept of money accumulation pension plans to those employees. Employees previously covered by the Public Service Superannuation Act, the Saskatchewan Power Superannuation Act, the Saskatchewan Telecommunications Superannuation Act, the Liquor Board Superannuation Act and the Workers Compensation Board Superannuation Act had the opportunity to transfer to the Public Employees Superannuation Plan prior to October 1, 1978.

The Plan was introduced to better meet the needs of a more mobile work force as well as end increasing uncertainty over funding liabilities in existing pension plans.

Operation of the Plan

Members of the Plan contribute 5% of their salary to the Public Employees Superannuation Fund. The member's employer contributes a matching amount. Additional voluntary contributions are permitted by the member, but are not matched by the employer. The assets of the Fund are invested and any earnings are credited to the individual member's account. Investments are made by the Investment and Financial Services Branch of Saskatchewan Finance in accordance with the Canadian and British Insurance Companies Act (Canada) and the Department of Finance Act (Saskatchewan). The accumulated contributions and interest form the basis of the employee's retirement benefit.

Earnings of the fund are distributed to members' accounts at the end of each fiscal year, with proportionate interest being credited on termination refunds or other benefits paid out during the year.

Member contributions are locked in and the employer share vested with the member after three years participation in the Plan if the member commenced prior to August 1, 1982. If the member commenced on or after August 1, 1982, his contributions are locked in and the employer's share becomes vested at age 25 if the member has one year of service or more, and at the completion of one year of service if the member is over age 25.

Those members who retire are entitled to an annuity. If the member is married that annuity must be a joint annuity guaranteed for the life of the member and spouse. Single members may elect a joint annuity, an annuity guaranteed for the greater of fifteen years or life, or merely for the life of the member. An option to members is that they may retire any time after age 55 with one year participation in the plan or at any time after completion of 35 years participation in the plan.

The Public Employees Superannuation Plan also makes provision for those members who die, either prior to or after retirement. For those members who die after retirement, the benefit that continues to one's spouse or beneficiary will depend on the annuity option selected at retirement.

For those members who die prior to retirement, both the employee and employer amounts are available to the employee's spouse, or beneficiaries if there is no spouse. The employee's spouse has several options available. Funds may be left in the Plan until the spouse wishes to purchase an annuity, the total amount standing to the members credit may be taken in a lump sum payment, or they may take an immediate or deferred annuity.

If there is no spouse, a lump sum settlement will be paid to the employee's estate or beneficiary.

In accordance with Section 39 of the Act, the Plan is administered by a seven member Supervisory Board representing employees and participating employers.

Reciprocal Agreements

Subject to the approval of the Lieutenant Governor in Council the Supervisory Board may enter into reciprocal pension agreements with other public sector employers. These agreements provide for the transferring of superannuation credits (equity and service) when changing employment. Agreements are presently in effect between the Public Employees Superannuation Plan and the following plans:

- Government of Canada Superannuation Plan
- Crown Investments Corporation Superannuation Plan
- Saskatchewan Teachers' Superannuation Plan
- Municipal Employees Superannuation Plan
- Saskatchewan Government Insurance Superannuation Plan
- Saskatchewan Health Care Association Superannuation Plan
- Ontario Hospital Association
- Civil Service Superannuation Board of Manitoba
- Regina Civic Employees Superannuation and Benefits Plan

Negotiations are currently underway to execute agreements with other public sector employers.

Administration

Expenses associated with the administration of the Plan are not a charge to the Fund, but are paid out of monies appropriated by the legislature. In 1982-83 the staff of the Public Employees Superannuation Plan merged with the staff of the Public Service Superannuation Plan to form the Public Employees Benefits Agency. The associated programs administered by those individuals were continued under the new Agency.

The Public Employees Supervisory Board retained its responsibility for the Plan during the amalgamation of the staff of the two Plans.

The Board extends its appreciation to the staff of the Public Employees Benefits Agency who administer the Public Employees Superannuation Plan and to those persons within other Government departments, Agencies and Crown Corporations whose co-operation and assistance during the year allowed for the continued successful operation of the Plan.

Chairman/Executive Officer

Allan L. Palmer

Representing Employers

Dr. Hugh D. Walker (Health)
Arleen Hynd (Sask. Power)
George J. Todd (P.S.S. Board)

Representing Employees

John O. Hanson (S.G.E.U.)
Ray D. Bidwell (C.W.C.)
C. R. (Red) Pearce (I.B.E.W.)

Highlights of the 1982-83 Fiscal Year

1. The members' accumulated balances in the Public Employees Superannuation Fund rose from \$70,626,876 at March 31, 1982 to \$106,254,208 at March 31, 1983, a net increase of \$35,627,332.

Employee and employer contributions for the year totalled \$26,934,858 compared with \$20,033,022 the previous year. Another \$601,585 was received through transfers under reciprocal agreements with other registered pension plans. In 1981-82 those transfers totalled \$558,911. Investment earnings allocated to members' accounts during 1982-83 totalled \$11,860,108, while the amount allocated for 1981-82 was \$6,772,409.

Termination refunds paid for 1982-83 were \$2,492,694, reciprocal transfers out were \$967,574, and death benefits totalled \$124,695. In 1981-82 these amounts were \$3,162,647, \$458,473 and \$85,982 respectively.

Members' accounts totalling \$182,964 were applied towards the purchase of annuity contracts administered by the Plan.

2. Membership in the Plan rose from 12,462 on March 31, 1982 to 13,231 on March 31, 1983 as shown in the following table:

Membership — March 31, 1982	12,462
Add:	
New Employees	1,968
Transfers from Old Plan	—
Reciprocal Transfers In	27
Increase April 1, 1982 — March 31, 1983	1,995
Less:	
Termination Refunds	1,158
Death Benefits	17
Reciprocal Transfers Out	33
Retirements	18
Decrease April 1, 1982 — March 31, 1983	1,226
Total Increase in Plan Membership	769
Membership — March 31, 1983	13,231

3. Funds available for allocation to members accounts totalled \$11,884,918. A 14.74% interest rate on contributions was declared by the Supervisory Board which allocated \$11,860,108 to members' accumulated balances and a further \$22,485 to accumulated provision for future annuities payable.
4. Two Reciprocal Agreements allowing the transfer of pension credits and monies were signed during the year. On September 10, 1982, an agreement was signed with the Regina Civic Employees' Superannuation and Benefits Plan. On December 10, 1982, an agreement was signed with the Civil Service Superannuation Board of the Province of Manitoba.
5. On April 1, 1982, the staff of the Public Employees Superannuation Plan merged with the staff of the Public Service Superannuation Board to form the Public Employees Benefits Agency. The new agency provides a focal point for employees and superannuates on pension and benefit matters.
6. On July 2, 1982 a bill amending the Superannuation (Supplementary Provisions) Act was assented to which affected members of the Public Employees Superannuation Plan in two ways. Any member, who has at least one year of service, may retire upon reaching age 55. Also, to recognize that younger employees may have more immediate needs than pension, or are uncertain about their career paths and may not remain in the employ of the government, the vesting and lock-in provisions of the plan were changed. For employees who commence on or after August 1, 1982, vesting and lock-in of members' accounts occurs at age 25 with one year of service, or at the completion of one year of service if over the age of 25.

Member Groups

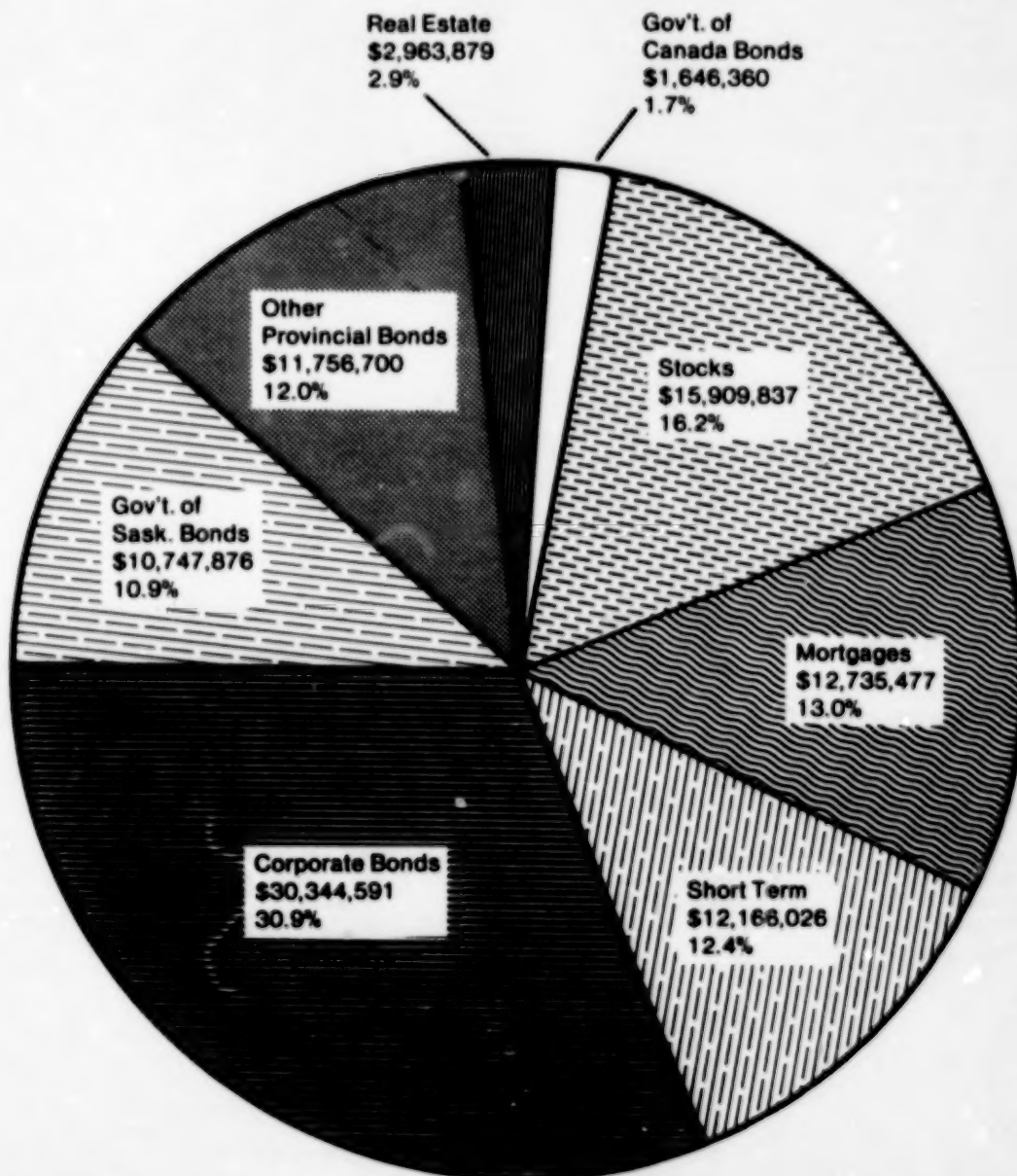
Members of the Plan represent a broad range of Saskatchewan public service employees. Agencies and the number of contributors to the plan are listed below:

	March 31 1982	March 31 1983
Agricultural Development Corporation	1	—
Alcoholism Commission of Saskatchewan	43	45
Battlefords Regional Care Centre	9	9
Crown Investments Corporation	2	1
* Extendicare/Saskatoon Sanatorium	25	20
Government of Saskatchewan	7,261	7,484
Meewasin Valley Authority	15	17
Milk Control Board	2	2
New Democratic Party Caucus Office	3	—
North Sask Electric	23	20
Palliser Hospital	1	1
Parkland Legal Assistance Society	1	1
Potash Corporation of Saskatchewan	2	1
Prairie Agricultural Machinery Institute	35	39
Provincial Senior Citizen's Council	6	7
Public Utilities Review Commission	—	3
Regina General Hospital	11	9
St. Louis Alcoholism Rehabilitation Centre	—	13
* Saskatchewan Anti-Tuberculosis League	11	14
Saskatchewan Arts Board	5	7
Saskatchewan Beef Stabilization Board	11	16
Saskatchewan Cancer Foundation	66	74
Saskatchewan Centre of the Arts	11	11
Saskatchewan Computer Utility Corporation	115	115
Saskatchewan Crop Insurance Corporation	47	49
Saskatchewan Economic Development Corporation	1	1
Saskatchewan FarmStart Corporation	43	39
Saskatchewan Health Research Board	3	1
Saskatchewan Hog Marketing Commission	6	8
Saskatchewan Hospital Services Plan	52	53
Saskatchewan Housing Corporation	108	136
Saskatchewan Land Bank Commission	17	8
Saskatchewan Liquor Board	124	130
Saskatchewan Liquor Licensing Commission	4	6
Saskatchewan Medical Care Insurance Commission	64	64
Saskatchewan Oil and Gas Corporation	1	1
Saskatchewan Power Corporation	1,203	1,283
Saskatchewan Prescription Drug Plan	32	29
Saskatchewan Telecommunications	2,038	2,069
Saskatchewan Transportation Company	2	—
Saskatoon Regional Community College	37	32
South Saskatchewan Hospital Centre	1	1
South Saskatchewan River Irrigation District	1	—
University of Saskatchewan	1	1
Wakamow Valley Authority	2	2
Wascana Centre Authority	54	59
Western Development Museum	28	34
Workers' Compensation Board	120	122
Total Active Employees	11,648	12,037
Inactive Employees	814	1,194
Total Employees	12,462	13,231

* Saskatchewan Anti-Tuberculosis League facility in Saskatoon was taken over by Extendicare

Investments

The assets of the Public Employees Superannuation Plan are invested by Saskatchewan Finance, Investment and Financial Services Branch. Investments are of high quality to yield the best possible return with minimum risk. The investment portfolio at March 31, 1983 contained the following assets:



Public Employees (Government Contributory) Superannuation Fund
Schedule of Investment Transactions
Year Ended March 31, 1983

Bonds & Debentures Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Gov't. of Canada	Mar. 15, 2000	13.75	\$ 495,000.00	13.9	\$ 500,000.00
Gov't. of Canada	Mar. 15, 2002	15.50	475,625.00	15.54	500,000.00
Gov't. of Canada	Mar. 15, 2002	15.50	552,500.00	13.92	500,000.00
Gov't. of Canada	Sept. 1, 1987	14.25	496,250.00	14.00	500,000.00
Gov't. of Canada	Nov. 15, 1992	12.75	500,000.00	12.747	500,000.00
Province of Sask.	Feb. 1, 2002	9.00	44,422.50	15.75	75,000.00
Province of Sask.	June 15, 2003	9.50	320,736.00	15.80	520,000.00
Province of Sask.	May 15, 2004	10.00	528,430.00	13.636	700,000.00
Province of Sask.	Dec. 1, 2002	13.00	3,846,500.00	12.769	3,800,000.00
Province of Sask.	Dec. 3, 1998	8.25	347,250.00	12.78	500,000.00
Province of Sask.	Mar. 30, 2003	12.25	490,000.00	12.755	500,000.00
G.M.A.C. (A.M.A.C.)	May 1, 1988	16.625	1,722,500.00	15.8459	1,675,000.00
G.M.A.C. (A.M.A.C.)	Dec. 15, 1988	16.625	675,000.00	16.625	675,000.00
T. Eaton Accept.	May 15, 1991	14.00	235,179.00	14.00	315,000.00
Bank of Nova Scotia	Apr. 1, 2001	10.00	365,000.00	10.60	500,000.00
Simpsons-Sears	Apr. 28, 1989	16.75	244,375.00	17.22	250,000.00
Royal Bank of Canada	Dec. 9, 1991	15.50	430,000.00	15.50	500,000.00
Woodward Stores	Apr. 1, 1987	17.00	400,000.00	17.00	400,000.00
Bk. of Montreal Mtg. Corp.	Sept. 8, 1991	11.75	1,237,500.00	15.35	1,500,000.00
Pacific Northern Gas	May 1, 1997	18.00	750,000.00	18.00	750,000.00
Algoma Steel	May 15, 1997	17.375	1,305,000.00	17.255	1,300,000.00
Algoma Steel	Mar. 31, 1991	8.75	581,925.00	13.30	750,000.00
Telesat Canada	May 15, 1986	16.75	500,000.00	16.75	500,000.00
Woolworth	Jan. 31, 2003	10.00	722,572.00	14.616	1,020,000.00
Chase Manhattan Canada	Sept. 14, 1987	15.25	500,000.00	15.25	500,000.00
Union Gas	Nov. 1, 2002	14.25	500,000.00	14.25	500,000.00
Northern & Central Gas	Nov. 29, 2002	14.00	500,000.00	14.00	500,000.00
West Kootenay Power	Feb. 1, 1998	14.25	500,000.00	14.25	500,000.00
Ontario Hydro	Apr. 21, 2006	14.25	1,227,562.50	16.34	1,375,000.00
Ontario Hydro	Aug. 4, 1987	17.00	500,000.00	17.00	500,000.00
Ontario Hydro	Nov. 15, 1999	10.00	791,479.80	13.11	1,002,000.00
B.C. Mun. Fin. Auth.	June 30, 1987	16.75	600,000.00	16.75	600,000.00
B.C. Building Corp.	Sept. 8, 1987	15.50	249,375.00	15.57	250,000.00
Nova Scotia	Apr. 15, 1987	15.50	400,000.00	15.50	400,000.00
Nova Scotia	Apr. 15, 1987	16.75	300,000.00	16.75	300,000.00
Nova Scotia Power	Dec. 1, 2002	13.50	1,998,125.00	13.515	2,000,000.00
City of Regina	Oct. 1, 1997	16.75	250,000.00	16.75	250,000.00
Newfoundland	Oct. 19, 2002	14.75	497,500.00	14.83	500,000.00
Health Sciences Man.	Oct. 15, 1987	15.25	500,000.00	15.25	500,000.00
George Weston	Dec. 1, 1997	14.125	500,000.00	14.125	500,000.00
Toronto Eaton Centre	June 30, 2000	15.00	500,000.00	15.00	500,000.00
Totals			\$ 27,579,806.80		\$ 29,407,000.00

Schedule of Investment Transactions

Bonds and Debentures Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Gov't. of Canada	Oct. 1, 2003	9.50	\$ 371,593.75	\$ 496,812.50	\$ 575,000.00
Gov't. of Canada	May 15, 1997	9.25	399,750.00	475,000.00	500,000.00
Gov't. of Canada	Dec. 15, 2000	9.75	3,028,212.50	3,802,500.00	4,050,000.00
Gov't. of Canada	May 1, 2002	10.00	396,750.00	570,500.00	575,000.00
Gov't. of Canada	Oct. 1, 1989	10.00	558,180.00	583,500.00	600,000.00
Gov't. of Canada	Dec. 15, 2002	11.25	75,875.00	83,750.00	100,000.00
Gov't. of Canada	Feb. 1, 2003	11.75	396,250.00	514,375.00	500,000.00
Gov't. of Canada	Mar. 15, 2002	15.50	1,301,093.75	1,248,687.50	1,275,000.00
Gov't. of Canada	Sept. 1, 1987	14.25	515,625.00	496,250.00	500,000.00
Gov't. of Canada	Nov. 15, 1992	12.75	525,000.00	500,000.00	500,000.00
Province of Sask.	Dec. 1, 2002	13.00	496,250.00	493,125.00	500,000.00
Ontario Hydro	Jan. 25, 2005	9.375	473,160.00	452,850.00	600,000.00
Ontario Hydro	May 1, 2005	9.75	284,375.00	343,125.00	350,000.00
Ontario Hydro	Aug. 30, 2008	9.50	790,100.00	690,385.00	1,000,000.00
Ontario Hydro	Jan. 6, 2004	9.25	781,400.00	634,550.00	1,000,000.00
Ontario Hydro	Apr. 21, 2006	14.25	575,000.00	527,562.50	575,000.00
Ontario Hydro	Nov. 5, 2011	17.00	763,925.55	707,674.50	725,820.00
George Weston	June 15, 2000	12.75	25,000.00	25,000.00	25,000.00
Inland Nat. Gas	Nov. 15, 1996	18.25	19,000.00	19,000.00	19,000.00
Consumers Gas	Nov. 30, 1996	17.75	13,000.00	13,000.00	13,000.00
Fiberglass Can.	Mar. 19, 1987	17.00	548,950.00	500,000.00	500,000.00
Algoma Steel	May 15, 1997	17.375	490,000.00	500,000.00	500,000.00
Province of Quebec	June 18, 1984	16.50	600,000.00	600,000.00	600,000.00
Nova Scotia	Apr. 15, 1987	15.50	405,500.00	400,000.00	400,000.00
Totals			\$ 13,833,990.55	\$ 14,677,647.00	\$ 15,982,820.00

Net increase in bonds and debentures at par value (29,407,000 - 15,982,820)	\$ 13,424,180.00
Add: Total as at March 31, 1982 at par value	45,991,820.00
Total bonds and debentures (par value) March 31, 1983	\$ 59,416,000.00
Less: Unamortized discount	4,920,473.00
Total bonds and debentures (at amortized cost) March 31, 1983	\$ 54,495,527.00
Total bonds and debentures (at amortized cost) March 31, 1982	41,409,206.00
Net increase in bonds and debentures at amortized cost	\$ 13,086,321.00

Insured Mortgages At Cost — Transactions During the Fiscal Year 1982-83	Interest Rate %	Purchased	Disposed	Net
Morguard Trust — Albert Square	10.875	\$ —	\$ 15,768	\$ (15,768)
Maritime Life — Forest Garden	11.275	16,204	1,907	14,297
Bancorp Financial Ltd. — E & E Hauling	11.50	19,815	—	19,815
T.D. Bank — Sunrise Garden	12.90	21,645	—	21,645
H.A. Roberts — Regina Market Mall	13.90	—	2,471	(2,471)
Montrose Mortgage — Highfield Properties	11.875	—	5,328	(5,328)
Morguard Trust — Southgate Plaza	14.275	—	4,533	(4,533)
S.F.C. Services Ltd. — Comox Apartments	19.40	83,596	4,471	79,125
Co-Op Trust — Hugh Garner	15.65	323,836	6,357	317,479
Co-Op Trust — Briarview Co-Op	18.65	177	617	(440)
T.D. Bank — Westgate Business	11.875	—	608,576	(608,576)
Co-Op Trust — Ann Marie Hill (Phase I)	20.65	222,235	5,061	217,174
Co-Op Trust — Ann Marie Hill (Phase II)	19.40	500,000	—	500,000
Montrose Mortgage Corp. — Westfor	11.75	1,848	4,132	(2,284)
Bancorp Financial Limited — Birch Housing	21.90	212,263	71	212,192
Co-Op Trust — Frank Fairchild	21.40	369,785	7,742	362,043
Montrose Mortgage Corp. — Harvard & Dover	18.40	512,542	—	512,542
London Life — Nepean, Ontario	13.90	678,934	5,815	673,119
Great West — Crestwood Industries	10.526	1,197,000	—	1,197,000
Totals		\$ 4,159,880	\$ 672,849	\$ 3,487,031

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions During the Fiscal Year 1982-83

	Shares	Purchased	Disposed	Net
IBM	(7,000)	\$ —	\$ 556,556	\$ (556,556)
Norton Simon	(12,000)	—	221,814	(221,814)
J. C. Penny	(12,000)	—	395,399	(395,399)
Eastman Kodak	3,000	313,805	—	313,805
Eastman Kodak	(3,500)	—	499,287	(499,287)
Avon Products	30,000	815,168	—	815,168
CPC International	8,000	306,277	—	306,277
Heublein Inc.	(15,000)	—	501,842	(501,842)
Mobil Corp.	6,950	199,279	—	199,279
Moore Corp.	25,800	935,643	—	935,643
C.I.B.C. (Common)	10,000	254,950	—	254,950
C.I.B.C. ("B" PFD)	(12,500)	—	280,237	(280,237)
Xerox Corp.	5,900	242,950	—	242,950
Canada Development Corp.	5,000	397,132	—	397,132
Richardson Vicks Inc.	13,600	412,835	—	412,835
Simpsons Sears "A"	6,400	30,222	—	30,222
Simpsons Sears "A"	(6,400)	—	30,222	(30,222)
Simpsons Sears "B"	(34,900)	—	210,559	(210,559)
United Technologies	6,700	341,434	—	341,434
Husky Oil (Conv. PFD)	20,000	500,000	—	500,000
Canadian Pacific Limited (Common)	10,000	265,329	—	265,329
Canadian Pacific Limited (Common)	(10,000)	—	265,329	(265,329)
Halliburton Company	20,000	605,609	—	605,609
Halliburton Company	(20,000)	—	605,609	(605,609)
A.M.C.A. Int. (Common)	32,000	576,000	—	576,000
A.M.C.A. Int. (Common)	(32,000)	—	576,000	(576,000)
B.C. Resources Inv. Corp.	32,000	800,000	—	800,000
B.C. Resources Inv. Corp.	(32,000)	—	800,000	(800,000)
Standard Oil Indiana	15,000	810,028	—	810,028
Hiram Walker	30,000	558,381	—	558,381
Tenneco	20,000	741,960	—	741,960
Nabisco Brands Inc.	28,800	1,216,598	—	1,216,598
Trans Canada Pipelines	35,000	896,875	—	896,875
Totals		\$ 11,220,475	\$ 4,942,854	\$ 6,277,621

Real Estate Equity — Transactions for the Fiscal Year 1982-83

	Purchased	Disposed	Net
Parkview Properties Limited	\$ 550,000	\$ 261	\$ 549,739
Crestwood Industrial Estates	139,000	—	139,000
Pensionfund Realty — Riverview Series	668,738	—	668,738
Totals	\$ 1,357,738	\$ 261	\$ 1,357,477

Short Term Investments

	Purchased	Disposed	Net
Transactions during year	\$ 118,432,086	\$ 108,829,087	\$ 9,602,999

Summary of Investment Transactions (At Cost)

	1981-82 Net Increase	1982-83 Net Increase
Bonds and Debentures (at amortized cost)	\$ 9,362,787	\$ 13,086,321
Insured Mortgages	5,458,952	3,487,031
Corporate Shares	3,923,482	6,277,621
Real Estate Equity	1,606,402	1,357,477
Short Term	561,765	9,602,999
Total Investment Transactions	\$ 20,913,388	\$ 33,811,449
Investments Beginning of Fiscal Year (at cost)	43,545,909	64,459,297
Investments End of Fiscal Year (at cost)	\$ 64,459,297	\$ 98,270,746

**Public Employees (Government Contributory)
Superannuation Fund**

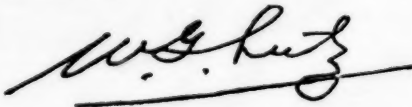
Financial Statements
For the Year Ended March 31, 1983

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Superannuation Fund as at March 31, 1983 and the statements of changes in members' accumulated balances, accumulated provision for future annuities payable and unallocated fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1983 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan.
August 18, 1983.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

Public Employees (Government Contributory) Superannuation Fund
Statement of Financial Position
As at March 31

	1983	1982
Assets		
Cash	\$ —	\$ 8,175
Contributions and transfers receivable	2,647,695	1,734,158
Accrued investment income	2,803,246	1,838,507
Investments (Note 2)	98,270,746	64,459,297
Unamortized loss on investments sold	3,801,483	3,104,788
	<u>\$ 107,523,170</u>	<u>\$ 71,144,925</u>
Liabilities and Fund Balance		
Liabilities:		
Bank indebtedness, including outstanding cheques	\$ 95,341	\$ —
Refunds, transfers and other payables	899,455	439,495
Members' accumulated balances (Statement 2) (Note 3)	106,254,208	70,626,876
Accumulated provision for future annuities payable (Statement 3) (Note 4)	271,841	86,014
	<u>107,520,845</u>	<u>71,152,385</u>
Fund Balance:		
Unallocated (overallocated) fund balance (Statement 4)	2,325	(7,460)
	<u>\$ 107,523,170</u>	<u>\$ 71,144,925</u>

(See accompanying notes)

Statement 2

Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Members' Accumulated Balances
Year Ended March 31

	1983	1982
Members' accumulated balances, beginning of year	\$ 70,626,876	\$ 47,012,792
Add:		
Employee and employer current contributions	26,934,858	20,033,022
Reciprocal transfers in	601,585	558,911
Earnings allocated to members (Statement 4)	11,860,108	6,772,409
	<u>110,023,427</u>	<u>74,377,134</u>
Deduct:		
Termination refunds	2,492,694	3,162,647
Lump sum retirement benefits	1,292	2,418
Death benefits	124,695	85,962
Transfers to accumulated provision for future annuities payable — to Statement 3	182,964	40,758
Reciprocal transfers out	967,574	458,473
	<u>3,769,219</u>	<u>3,750,258</u>
Members' accumulated balances, end of year	<u>\$ 106,254,208</u>	<u>\$ 70,626,876</u>

(See accompanying notes)

Statement 3

**Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Accumulated Provision for Future
Annuities Payable
Year Ended March 31**

	1983	1982
Accumulated provision for future annuities payable, beginning of year	\$ 86,014	\$ 45,033
Add:		
Transfer of accumulated balances of members electing to have retirement annuities underwritten by the plan (Statement 2)	182,964	40,758
Earnings allocated (Statement 4)	22,485	7,608
	291,463	93,399
Deduct:		
Annuities paid	19,622	7,385
Accumulated provision for future annuities payable, end of year	\$ 271,841	\$ 86,014

(See accompanying notes)

Statement 4

**Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Unallocated Fund Balance
Year Ended March 31**

	1983	1982
Unallocated (overallocated) fund balance, beginning of year	\$ (7,460)	\$ 14,601
Add:		
Investment earnings	11,892,378	6,757,956
	11,884,918	6,772,557
Deduct:		
Allocation of earnings to:		
— members' accumulated balances — to Statement 2	11,860,108	6,772,409
— accumulated provision for future annuities payable — to Statement 3	22,485	7,608
	11,882,593	6,780,017
Unallocated (overallocated) fund balance, end of year	\$ 2,325	\$ (7,460)

(See accompanying notes)

Public Employees (Government Contributory) Superannuation Fund

Notes to Financial Statements

March 31, 1983

1. Significant Accounting Policies

a) Description of Plan

The Superannuation (Supplementary Provisions) Act established the Public Employees (Government Contributory) Superannuation Plan effective October 1, 1977. It is a cost based pension plan for which specified contributions and interest earnings thereon are accumulated in the fund for the ultimate purpose of providing for a guaranteed life annuity for the contributor at the time of retirement.

b) Vesting Provisions

An amendment to the Superannuation (Supplementary Provisions) Act established revised vesting provisions for the Plan for contributors who commenced employment on or after August 1, 1982. For these persons, all contributions and earnings thereon will be permanently vested and locked in when the contributor reaches age 25 with one year of service, or at the completion of one year of service if over the age of 25 years at commencement of employment. For persons who commenced employment prior to August 1, 1982, all contributions and earnings thereon will continue to be permanently vested and locked in, until the contributor's retirement or death, only upon conclusion of three years' participation in the Plan.

c) Investments

The Public Employees Superannuation Fund records all investment transactions at cost.

Premiums and discounts on bonds and debentures are amortized to earnings over the term of the security.

Gains or losses on disposal of fixed income securities are deferred and amortized over the remaining term of the security sold.

The investment portfolio of the Fund is managed by the Investment and Financial Services Branch of the Department of Finance.

d) Administrative Costs

In accordance with Section 39(4) of The Superannuation (Supplementary Provisions) Act all general administrative and employee costs required for the administration of the fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

e) Reciprocal Transfers

Reciprocal agreements have been signed with other pension plans, setting forth conditions and procedures for the transfer of an individual's accumulated contributions and earnings to or from another pension plan following a change in employment. Such transfers into (out of) the Fund are recorded as receivable (payable) at the date on which an authorization for the transfer of funds is signed by the employee, provided that information is available to allow calculation of the amount to be transferred.

f) Accumulated Provision for Future Annuities Payable

For those members who have elected to have their retirement annuities underwritten by the plan, the members' accumulated balance at the date of retirement is transferred to the accumulated provision for future annuities payable.

Since this accumulated provision represents a claim on the Fund's assets, a proportionate share of the Fund's investment earnings are allocated to the provision based on the balance of the accumulated provision during the year.

Annuity payments, including both principal and interest portions, are charged against the accumulated provision.

The accumulated provision for future annuities payable represents the present value of the plan's future expected payment obligations in connection with those annuities underwritten by the plan. The present value is determined by discounting the expected payment stream by using an appropriate interest rate factor. Adjustments are made to the provision, if found necessary, pursuant to an actuarial evaluation, recognizing a surplus or deficit in the Fund.

Notes to Financial Statements

2. Investments

	1983		1982	
	Cost	Market Value	Cost	Market Value
Bonds and debentures, at par value:				
Government of Canada	\$ 1,600,000	\$ 1,806,365	\$ 8,275,000	\$ 6,057,217
Province of Saskatchewan	12,222,000	10,787,102	6,627,000	4,267,093
Other provinces and provincially guaranteed	13,042,000	12,504,233	10,615,820	7,329,410
Corporate	32,196,000	34,871,458	20,118,000	17,981,904
Municipal	356,000	381,678	356,000	327,313
Total bonds and debentures at par value	59,416,000	—	45,991,820	—
Less unamortized discounts	4,920,473	—	4,582,614	—
Total bonds and debentures at amortized cost	54,495,527	60,350,836	41,409,206	35,962,937
Real estate equities	2,963,879	2,963,879	1,606,402	1,606,402
Mortgages	12,735,477	13,109,123	9,248,445	7,863,940
Corporate shares	15,909,837	18,891,723	9,632,217	9,199,636
Short-term investments	12,166,026	12,166,026	2,563,027	2,563,027
	<u>\$ 98,270,746</u>	<u>\$ 107,481,587</u>	<u>\$ 64,459,297</u>	<u>\$ 57,195,942</u>

3. Members' Accumulated Balances

This item represents the aggregate of employer and employee contributions together with proportionate earnings of the Fund as allocated at each fiscal year-end. Proportionate earnings are also allocated during the year in respect of termination refunds and other benefits based on the rate prevailing at the previous fiscal year-end. The approximate portion of the accumulated balances which are vested, as explained in note 1 (b), at the respective fiscal year ends is summarized below:

	1983	1982
	(000's)	(000's)
Amount vested	\$ 82,012	\$ 50,929
Amount not vested	24,242	19,698
Total members' accumulated balances	<u>\$ 106,254</u>	<u>\$ 70,627</u>

4. Accumulated Provision for Future Annuities Payable

As indicated in note 1 (f) the accumulated provision would normally be determined by actuarial evaluation. No such evaluation has been performed to date since it is not considered to be economical to evaluate such a new and small guaranteed life annuity operation. At the time of establishing each new annuity, actuarially determined factors are used to establish the monthly payment. The assumptions used in the above determinations are still considered to be valid for those annuities and accordingly the accumulated provision for future annuities payable recorded is considered a reasonable estimate of the actuarial value of the obligation.

